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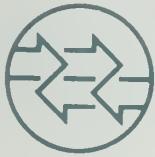
1990 Annual Report

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Massachusetts
Office of
International
Trade and
Investment

December, 1990

Dear Friend:

As recent economic and political events around the world have clearly demonstrated, more and more international markets that were once closed to US products and technologies are now open. The unification of Germany, the opening of Eastern Europe, the US-Canada Free Trade Agreement as well as the continued rise of Pacific Rim economies present a range of opportunities for businesses ready to make the move into these expanding markets. The realities of an international marketplace have made more and more business men and women realize that exporting their goods and services represents good business strategy. And no longer is an international trade strategy limited to larger companies; small and medium firms are now aggressively selling overseas.

In 1984, the Massachusetts Office of International Trade and Investment (OITI) was established to provide Massachusetts' smaller businesses with the tools needed to ease the way into international markets. Over the past six years, OITI has developed an array of strategic services for companies looking to become active internationally. From one-on-one corporate export counseling to organizing the participation of Massachusetts companies on trade missions and overseas trade shows to publishing a series of product directories and export guides for international and domestic circulation, OITI's activities revolve around one goal: to assist Massachusetts' business community with its international trade interests. In the same vein, OITI monitors and facilitates appropriate foreign investment in the Commonwealth.

I am pleased to present for your review OITI's activities over the past year and a half. We are proud of our record of service and our contribution to the state's economic development. We look forward to continuing to work with companies wanting to compete in the international marketplace.

Sincerely,

Gwen Pritchard,
Executive Director

International Trade and Massachusetts

International trade has a strong impact on the Massachusetts economy in terms of jobs and revenues. In 1981, Massachusetts ranked ninth out of the fifty states in number of jobs related to exports. Today, most recent figures place Massachusetts second in the nation with 5.5 % of the state's civilian workforce engaged in export-related activities and above the national average of 4.1%.

Exports of manufactured goods have continued to climb since the late 70's. Massachusetts has ranked in the top 10 US exporting states for the last 10 years.

Foreign investment also holds a significant place in Massachusetts' economic profile. Over 400 foreign subsidiaries are located across Massachusetts employing an estimated 102,000 workers and representing over 20 different nations.

Massachusetts Manufactured Exports by Total Dollar Value*

Exports in Billions \$



Office of International Trade and Investment

While Massachusetts is known internationally as a home to a well-trained workforce and a broad variety of innovative products and services, many of the companies producing these goods are small and lack the expertise and/or resources required to crack overseas markets. The Office of International Trade and Investment was established in 1984 to bridge a gap in export assistance services available in Massachusetts.

Since 1984, OITI has developed the following services to promote Massachusetts business internationally:

- PRODUCT SECTOR MARKETING PROGRAMS VIA OVERSEAS TRADE SHOWS AND TRADE MISSIONS
- BILATERAL ACCORDS
- EXPORT COUNSELING AND CONSTITUENT SERVICES
- OFFICE OF INTERNATIONAL TRADE PUBLICATIONS
- FOREIGN BUYER/VISITOR PROGRAMS
- SEMINAR/BRIEFING SERIES

Export 90's

In addition to the activities cited above, OITI, as the state's international trade office, has played a key role in the Export 90's initiative. Launched by Governor Michael S. Dukakis in January, 1989 as the major economic initiative for the last two years of his administration, Export 90's has been a partnership of public and private sector export promotion organizations working together to encourage more Massachusetts companies to export.

The Export 90's partnership has resulted in a number of steps to assist Massachusetts companies to export, including the organization of a series of statewide export workshops; doubling Massachusetts' participation in overseas trade shows and trade missions; the institution of a Local Initiative Matching Trade Show/Mission Grant Program underwritten by the Massachusetts Port Authority; the assignment of a specialist in the State of Massachusetts' Washington, DC, office to track down export licensing delays; the development of an export education services program by the Bay State Skills Corporation; the initiation of a trade leads service by the Massachusetts Small Business Development Centers; and the formation of an International Trade Advisory Board to counsel the Governor on global trade strategies.

Product Sector Marketing Programs via Overseas Trade Shows and Missions - July 1989 Through December, 1990

A centerpiece of the Office of International Trade and Investment's activities has been the development of overseas marketing programs focussing on key Massachusetts industries. Targeted industries have included information technology, environmental and energy, biotechnology and medical devices, and precision instruments. A major tool

"The help and support of the Office of International Trade and the Export 90's program have gone a long way to taking the fear and mystery out of this new venture of exporting"
Jon Haber,
Useable Portable Publications, Inc.,
Winchester

"Our exhibit at Medica '89 was our first attempt to address international markets. We are now establishing distribution channels throughout the world. RNA Medical will benefit from the result of the Office of International Trade's efforts for many years to come"
**Bill Donohue,
Vice President,
RNA Medical,
Acton**

in these product sector marketing efforts is the organization of overseas trade shows and trade missions.

By participating in the right overseas trade show a company can exhibit its products to a worldwide business clientele; gain first-hand market intelligence; lay the groundwork for direct sales, distribution, or joint venture activities; and size-up the competition face-to-face. Most important, overseas trade shows can bring significant financial rewards to participating companies. An illustration of this is the experience of twenty-seven firms participating in OITI's European Trade Show program from March, 1989 through March, 1990. These companies have reported between \$12 to \$16.6 million in preliminary sales as a result of their attendance at these key shows. Similarly, trade missions can bring many of the same benefits to a company looking to develop international activities or strategic partnering relationships.

Over the past 18 months, the Office of International Trade has organized the participation of 84 Massachusetts companies at 14 key international trade shows and trade missions.

Show/Mission	Location	No. of Firms Taken
Systems Show	Germany (10 89)	4 technology firms
Computer Show	Canada (10 89)	4 software firms
Medica '89	Germany (11 89)	7 medical firms
"US PRO" Show*	Korea (11 89)	9 firms
Oceanology '90	England (3 90)	4 marine science firms
CeBIT '90	Germany (3 90)	8 technology firms
Massachusetts Mission	Japan (+ 90)	5 biotechnology firms
Massachusetts Mission	Japan (+ 90)	5 software firms
Massachusetts Mission	Israel (6 90)	10 technology firms
Massachusetts Mission	Europe (9 90)	8 environmental firms
Computer Show*	Canada (10 90)	4 technology firms
Medica '90*	Germany (11 90)	6 medical firms
Electronica '90*	Germany (11 90)	7 electronic firms
Trade Mission**	Canada (12 90)	3 biotechnology firms

*Since September, 1989 as directed by the Export 90's campaign, OITI has partnered with the Massachusetts Port Authority to jointly organize the participation of Massachusetts companies at several trade shows formerly organized by OITI.

** Co-recruited with Quebec Delegation in New England.

Bilateral Accords

Unlike many states, Massachusetts does not have any overseas offices to assist companies with their international trade activities. However, one creative and cost-efficient means the Office has employed to leverage the on-site resources a foreign office can provide is the forging of a number of accords with foreign government and or trade promotion organizations. These agreements encourage greater bilateral trade by providing a framework for joint activities and establishing a direct link to foreign trade officials. Accords the Office of International Trade have either entered into or support are:

Government to Government

Canada

Joint Conference of the New England Governors and Eastern Canadian Premiers - Agreement to expand cross-border trade and tourism efforts as well as expand cooperation on environmental and energy issues

People's Republic of China

Guangdong Province, People's Republic of China - Sister state-province relationship to foster trade, education, and cultural exchanges

Israel

Massachusetts-Israel Exchange (MIX) - Agreement with the State of Israel for joint trade, scientific, and tourism efforts

Japan

Hokkaido Prefecture, Japan - Sister state-prefecture relationship to encourage bilateral trade, education, and cultural activities

Organization to Organization

Germany and Eastern Europe

- Deutsche Bank Berlin - Agreement to assist Massachusetts firms looking for German and Central European trade partners
- Hamburg Economic Development Corporation - Agreement to assist Massachusetts firms looking for German trade partners
- Baden-Wurttemberg Agency for International Economic Cooperation - Agreement to assist Massachusetts firms looking for German trade partners

India

Indo-American Chamber of Commerce - Agreement to foster trade cooperation with one of India's leading business associations having over 1,800 members

France

L'Electricite de France - Agreement to promote Massachusetts technology-based firms to French business partners

Korea

Korea-US Economic Council* - Agreement to promote Korean-Massachusetts trade activities

Scotland

Scottish Enterprise* (formerly Scottish Development Agency) - Agreement to focus initially on identifying trade partners for Massachusetts software companies

*anticipated for 1991

"Massachusetts' participation in the Hannover Fair presented a forward thinking program... Without the assistance and support by the Office of International Trade, it would have been very difficult for us to take advantage of the tremendous opportunities the Hannover Fair presented"
**Alan E. Gould,
Vice President,
Synetics Corporation,
Wakefield**

Country-by-Country Trade Highlights

France

Massachusetts Environmental Mission (9/90)
Biotechnology Seminar (9/90)

United Kingdom

Oceanology '90 Trade Show (3/90)
Massachusetts Environmental Mission (9/90)
Biotechnology Seminar (9/90)

Belgium

Massachusetts Environmental Mission (9/90)

The Federal Republic of Germany

Systems Trade Show (10/89)
Medica Trade Show (11/89)
Berlin Strategic Partnering Conference (1/90)
CeBIT Trade Show (3/90)
Massachusetts Environmental Mission (9/90)
Brandenburg Environmental Mission (12/90)

Hungary

Massachusetts Environmental Mission (9/90)

Israel

Israel Economic Forum - (10/89)
Trade Mission co-organized with New England-Israel Chamber of Commerce (6/90)
Trade Opportunities Seminar - Housing and Construction (12/90)
Massachusetts-Israel Exchange(MIX)-Bilateral Accord

India

Indo-American Chamber of Commerce Mission (4/90)

People's Republic of China (Guangdong Province)

Bilateral Accord

Canada

Canadian Computer Show (10/89 & 11/90)
Quebec Trade and Industry Fair (11/90)
Biotechnology Mission (12/90)
Joint Conference of New England Governors
and Eastern Canadian Premiers-Bilateral Accord



Taiwan

Taiwan Technology Buying Mission (9/89)
Introduction to Taiwan Business Seminar in
Central and Western Massachusetts (6/90)
Visit of Taiwan Environmental Official (10/90)

Korea

US PRO Show (11/89)
Korean Trading Company Mission (6/90)

Japan

Massachusetts Biotechnology Mission (4/90)
Massachusetts Software Mission (4/90)
Japan Giftware Buying Mission (8/90)
Japan Household Products Buying Mission (9/90)
State of Massachusetts-Hokkaido Prefecture-
Bilateral Accord

Export Counseling and Constituent Services

An on-going service the Office of International Trade provides is individual counseling for Massachusetts companies interested in exporting. Counseling can take the form of on-site sessions at a corporate client's facilities; meetings in OITI offices; or via telephone conversations. As an additional service to the information technology and biomedical industries, OITI can engage in distributor searches for certain overseas markets.

In a related activity, OITI participates in numerous international trade seminars and similar events across the state. Over the last year and a half, OITI staff have served as panelists or speakers at a variety of trade events organized by chambers of commerce, local economic development offices, universities and business associations. A representative sampling of these organizations include: North Central Massachusetts Chamber of Commerce; Southeastern Massachusetts Partnership; World Affairs Council of Western Massachusetts; Tufts University; and the French-American Chamber of Commerce, among others.

Additionally, the Office responds to queries from constituents regarding international trade matters. An important function of OITI is its role as an information resource and OITI acts as an international trade information clearinghouse directing constituents to appropriate federal, state, and private organizations.

Office of International Trade Publications

While an increasing number of Massachusetts companies are exploring overseas markets by participating in OITI-organized trade missions and trade shows, OITI also works to introduce Massachusetts companies to an international audience via the development of a series of Massachusetts product directories.

- *THE MASSACHUSETTS INTERNATIONAL INFOTECH DIRECTORY*
- *THE MASSACHUSETTS INTERNATIONAL BIOMED DIRECTORY*
- *THE MASSACHUSETTS INTERNATIONAL ENVIROTECH DIRECTORY*

Each directory lists information on hundreds of Massachusetts companies in the information technology, biotechnology, and pollution control industries respectively. The directories, which are circulated internationally, spotlight an entire industry to a foreign audience and underscore Massachusetts' reputation as a home to a variety of innovative companies. The directories are also available domestically.

Complementing the series of product directories is the *MASSACHUSETTS INTERNATIONAL EXPORT SERVICES GUIDE*. The Guide lists hundreds of resources within Massachusetts that provide specialized assistance to companies looking to export. Included in the Guide are foreign consulates; freight forwarders; export consultants and management firms; and international law firms; among many other categories.

"The information helped me to identify key resources to assist in developing an international distribution strategy"
James R. Byrd,
Account Manager,
Creative Systems
Interface, Inc.,
Lexington

"The trade mission was very successful for Air Purator Corporation, due largely to the excellent preparatory efforts of the Office of International Trade"
Dan Tedone,
President,
Air Purator Corporation,
Boston

A related publication, *THE MASSACHUSETTS INTERNATIONAL EXPORT GUIDE: A SOURCE BOOK FOR INFORMATION TECHNOLOGY COMPANIES* focusses on export resources available to "info-tech" firms, particularly the software industry, and features country-specific market outlines; a listing of yearly international industry trade shows, discussion of international status of intellectual property rights issues, and other topics of interest to this industry.

Recently updated, *THE MASSACHUSETTS INTERNATIONAL FOREIGN FIRM DIRECTORY* lists over 400 foreign subsidiaries located throughout the state. The publication also provides information on local contacts and foreign parent firms.

To address the rising tide of interest in the recently opened markets of Eastern Europe, OITI has developed a series of *EASTERN EUROPEAN COUNTRY PROFILES*. The Profiles, which are available separately or as a set, outline trade and market information for seven Eastern Bloc countries recently opened to western business.

Foreign Buyer/Visitor Programs

While many of OITI's services center on helping Massachusetts companies explore overseas trade opportunities by experiencing the market first-hand through trade show and or trade mission participation, there are occasions when foreign trade delegations visit Massachusetts to locate commercial partners. With these "foreign buyer visitor" delegations, OITI identifies potential trade partners in Massachusetts and arranges meetings, site visits, group seminars and related activities.

Over the past year OITI has worked with several foreign trade delegations' visits to Massachusetts including:

- A first-of-its-kind trade mission to Massachusetts by environmental companies from the region of Brandenburg (formerly East), Germany
- Two Japanese buying missions coordinated with the Japan External Trade Organization focusing on giftware and household products
- A visit to Massachusetts by the Indo-American Chamber of Commerce, a leading business association in India, to initiate commercial cooperation
- A Technology Buying Mission from Taiwan
- A delegation of Korean trading companies coordinated with Massport
- A delegation of industry representatives from the Canadian Atlantic Provinces seeking alliances with the Massachusetts business community
- Co-sponsorship of a major Asian Investment Conference with the World Trade Center Boston and Massachusetts Institute of Technology to encourage strategic partnerships between Massachusetts and Asian firms

Seminar/Briefing Series

Another way the Office of International Trade assists Massachusetts companies enter overseas markets is by organizing strategic export education seminars.

Export Workshops

As an integral part of the Export 90's program from November, 1989 through June, 1990 OITI helped coordinate a series of 8 Export Workshops throughout the state. Nearly 1,000 businesspeople attended the series of workshops, which took a practical, nuts-and-bolts approach on how to begin the export process.

Industry Specific Seminars

Following-up the series of Export Workshops, OITI has begun a series of seminars focusing on overseas trade opportunities for key Massachusetts industries. Industries included so far include: Massachusetts biotechnology firms; environmental and energy firms; and the Massachusetts housing and construction industry.

Other Initiatives

Foreign Investment Activities

Massachusetts is home to over 400 foreign subsidiaries that run the full range of business activities. These companies employ tens of thousands of Massachusetts residents and help diversify the state's economic base. Appropriate foreign investment can create or maintain jobs. Although primarily engaged in export promotion efforts, OITI also works with foreign companies looking to establish manufacturing or research and development facilities here and Massachusetts companies seeking foreign partners to expand their operations in the state.

Foreign investment services include: providing information to commercial clients on business incentives, labor availability and Massachusetts' tax structure as well as acting as a liaison between the foreign client with public and private sector economic development officials.

Over the past 18 months OITI has provided assistance to over a dozen foreign companies interested in locating in Massachusetts. To highlight the state as an international center for commercial biotechnology activities, OITI is pursuing a number of leads resulting from the Biotechnology Seminars held in Paris and London as a part of the Massachusetts Trade Mission to Europe in September, 1990.

OITI also monitors the level of foreign investment in Massachusetts and publishes the *MASSACHUSETTS INTERNATIONAL FOREIGN FIRM DIRECTORY*, a listing of foreign companies in the state.

Japanese Trade Official Appointment

A senior trade official from the Japan External Trade Organization (JETRO) has joined the staff of the Office of International Trade for a special one year appointment to promote Massachusetts exports to Japan. Massachusetts is one of only 15 states JETRO has selected for this initiative.

"We are a small growing software company. The Office of International Trade has tangibly helped us to compete strategically in the global market..."
John Whitman,
President,
Oakland Group, Inc.,
Cambridge

"As the Economic Development Director for the City of Haverhill developing a city administered local export program, I have called upon the Office of International Trade on a number of occasions and OITI has consistently provided fast, informative, and complete assistance"

*Joseph J. Bevilacqua,
City of Haverhill*

The official will advise Massachusetts and New England companies on how to approach the Japanese market and is available to meet individual companies or address business groups on trade opportunities with Japan, Massachusetts' number one export market.

State Liaison for Foreign Commercial and Government Missions

As an internationally renowned commercial, educational, and medical center, Massachusetts is visited each year by countless numbers of overseas visitors for business and other purposes. While the state has no official protocol office, as the international division of the state government, OITI acts as the official state liaison with many foreign dignitaries visiting Massachusetts to brief them on commercial opportunities in the state. These visitors range from foreign government officials to businesspeople, academics, and the press.

Over the last 18 months, OITI has worked with foreign delegations visiting Massachusetts from:

Australia	Korea
Brunei	Malaysia
Canada	Mexico
Colombia	Nigeria
Eastern Caribbean States	People's Republic of China
England	Portugal
France	Scotland
Germany	Singapore
Hong Kong	Spain
India	Sri Lanka
Ireland	Sweden
Israel	Switzerland
Italy	Taiwan
Japan	Thailand

Office of International Trade and Investment Publications

MASSACHUSETTS INTERNATIONAL EXPORT SERVICES GUIDE

MASSACHUSETTS INTERNATIONAL EXPORT GUIDE: A SOURCE BOOK
FOR INFORMATION TECHNOLOGY COMPANIES

MASSACHUSETTS INTERNATIONAL INFORMATION TECHNOLOGY
DIRECTORY

MASSACHUSETTS INTERNATIONAL BIOMED DIRECTORY

MASSACHUSETTS INTERNATIONAL ENVIROTECH DIRECTORY

MASSACHUSETTS INTERNATIONAL FOREIGN FIRM DIRECTORY

EASTERN EUROPEAN COUNTRY PROFILES

Office of International Trade and Investment Staff

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Pat Givens
Deputy Director

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Abbie Goodman
Katherine Janney
Elizabeth Ozon
M.E. Sutherland
Pamela Tomkinson

Iwao Tateuchi
Japan External Trade Organization

"There is a place that small business can turn to help...the Office of International Trade addresses the exporting needs of smaller Massachusetts firms"
Samir A. Desai,
President,
Systems Resources Corporation,
Burlington





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